

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor
Joanna Prukop
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

Field Inspection Program
"Preserving the Integrity of Our Environment"

14-May-03

DOMINION OKLAHOMA TEXAS EXPL. & PROD INC
14000 QUAIL SPRINGS PKWY STE 600
OKLAHOMA CITY, OK 73134-2600

Dear Operator:

The following inspection(s) indicate one or more violations as described in the detail section below. The inspection(s) indicates that the well, equipment, location or operational status failed to meet standards of the New Mexico Oil Conservation Division. To comply with standards imposed by Rules and Regulations of the Division, corrective action must be taken immediately and the situation brought into compliance. The detail section below indicates preliminary findings and/or probable nature of the violation. This determination is based on an inspection of your well or facility by an inspector employed by the Oil Conservation Division.

Please notify the proper district office of the Division of the date corrective actions are scheduled to be made so that arrangements can be made to reinspect the well and/or facility.

Please be advised that failure to comply with this directive will result in an application for an order to Show Cause why the Bond should not be forfeited, the well plugged and civil penalties assessed.

INSPECTION DETAIL SECTION

SHEEP DRAW FEDERAL 003

F-33-22S-26E

30-015-27341-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
05/13/2003	Routine/Periodic	Mike Bratcher	Yes	No	8/16/2003	iMLB0313335713
Comments on Inspection: Equipment and Location needs minor attention. Contamination and oil standing in pool at wellhead. Violation Rule 13.						

HAPPY VALLEY 4 FEDERAL 022

F-4-23S-26E

30-015-29471-00-00

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
05/13/2003	Routine/Periodic	Mike Bratcher	Yes	No	8/16/2003	iMLB0313348802
Comments on Inspection: Well sign has been vandalized and is no longer legible. Violation Rule 103.						

Thank you for your prompt attention to this matter and your efforts in helping to protect our environment and the infra-structure of the oil and gas industry.

Sincerely,

A handwritten signature in black ink, appearing to read "Mike Brum". The signature is fluid and cursive, with the first name "Mike" written in a larger, more prominent script than the last name "Brum".

Artesia OCD District Office

Note: Information in Detail Section comes directly from field inspector data entries - not all blanks will contain data.

*Significant Non-Compliance events are reported directly to the EPA, Region VI, Dallas, Texas.